

DEPARTMENT OF HEALTH AND FAMILY SERVICES

GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY03 Adjusted Base	FY04 Recommended	% Change Over FY03	FY05 Recommended	% Change Over FY04
GPR	1,975,730,400	1,378,912,300	-30.2	2,316,872,100	68.0
PR-F	2,811,658,600	3,134,262,400	11.5	3,199,341,900	2.1
PR-O	224,000,500	237,666,700	6.1	236,141,000	-0.6
PR-S	148,443,500	148,453,600	0.0	149,250,400	0.5
SEG-O	385,995,500	1,273,975,300	230.0	468,202,400	-63.2
TOTAL	5,545,828,500	6,173,270,300	11.3	6,369,807,800	3.2

FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY03 Adjusted Base	FY04 Recommended	FTE Change From FY03	FY05 Recommended	FTE Change From FY04
GPR	2,224.20	2,143.60	-80.60	2,144.10	0.50
PR-F	1,100.93	1,069.01	-31.92	1,066.51	-2.50
PR-O	3,046.31	2,586.81	-459.50	2,543.81	-43.00
PR-S	411.44	378.22	-33.22	375.22	-3.00
SEG-O	8.00	9.33	1.33	9.33	0.00
TOTAL	6,790.88	6,186.97	-603.91	6,138.97	-48.00

AGENCY DESCRIPTION

The department is headed by a secretary appointed by the Governor, and has six divisions. The department works in partnership with local governments, health and human services agencies, private providers, and concerned and affected citizens to:

- Foster the availability and accessibility of care, treatment and other assistance for persons most in need through careful planning of services, and efficient distribution and use of resources.
- Promote individual, family and community well-being and health through vigorous programs to reduce or prevent avoidable illness, disability or dependency and their associated costs.
- Encourage local public and private initiative and support for human service programs.
- Give priority to the interests and needs of vulnerable persons including children and the elderly, those in need of long-term support, and families.
- Provide for public safety and protection through programs for adult criminal offenders who are mentally or emotionally impaired.
- Provide incentives and oversight so that public funds are put to effective use. Programs must be characterized by acceptable quality without unnecessary cost; accountability without needless paperwork;

creativity and innovation without loss of purpose; and efficiency without jeopardizing access, equity or availability.

- Carryout these responsibilities with the participation and advice of communities, providers, clients and citizens in a way that respects the dignity and self-reliance of everyone involved.

MISSION

The department's mission is to lead the nation in fostering healthy, self-reliant individuals and families. The department is committed to successful methods that: promote independence; strengthen families; encourage healthy behaviors; promote individual and community responsibility; provide services of value to taxpayers; protect vulnerable children, adults and families; and prevent individual and social problems.

PROGRAMS, GOALS, OBJECTIVES AND ACTIVITIES

Program 2: Care and Treatment Facilities

Program 3: Children and Family Services

Goal: Develop effective, efficient, accessible human service systems that provide quality care, services and supports.

Objective/Activity: Reduce the incidence of child abuse and neglect among Wisconsin children through the Brighter Futures Initiative; Safe and Stable Families Program; Title IV-E; POCAN Projects; and other child abuse and neglect prevention efforts.

Program 4: Health Services Planning, Regulation and Delivery; Health Care Financing; Other Support Programs

Goal: Promote actions that improve and protect the health and well-being of the people in Wisconsin.

Objective/Activity: Increase the percentage of Wisconsin uninsured low-income children and parents that have health care coverage through implementation of the BadgerCare program and Medical Assistance program for low-income families.

Program 5: Public Health Services Planning, Regulations and Delivery; Aids and Local Assistance

Goal: Promote actions that improve and protect the health and well-being of the people in Wisconsin.

Objective/Activity: Reduce the prevalence of current cigarette smoking among youth through an expansion of efforts under the Thomas T. Melvin Youth Tobacco Program and through the collaborative efforts of the Divisions of Public Health, Children and Family Services, and Supportive Living.

Objective/Activity: Reduce the prevalence of smoking among adults through smoking cessation activities and through community-based efforts to reduce tobacco use.

Objective/Activity: Reduce the number of people who acquire HIV infection by preventing infection among high-risk persons; increasing knowledge of serostatus among those infected; increasing prevention interventions for persons living with HIV; strengthening the prevention and treatment interface; increasing commitment and cooperation from community partners; and evaluating HIV prevention programs.

Objective/Activity: Increase the rate at which Wisconsin children are immunized against measles, mumps, rubella, tetanus, pertussis, diphtheria, polio and Hib by supplying vaccines for immunization, enforcement of the Student Immunization Law, utilization of the immunization registry, assessing providers' immunization records, and collaboration and education.

Program 7: Supportive Living; Aids and Local Assistance

Goal: Develop effective, efficient and accessible human service systems that provide quality care, services and supports.

Objective/Activity: Increase the number of developmentally disabled persons served by the CIP 1A program versus the Centers for the Developmentally Disabled by increasing the CIP 1A placement rate; educating guardians on the benefits of community placements; developing appropriate supports for community placements; and implementing effective oversight and quality assurance measures for community placements.

PERFORMANCE MEASURES

HISTORICAL DATA

Prog. No.	Performance Measure	Actual 2000
3., 5., 7.	Percent of Wisconsin youth (grades 9-12) who smoke.	33%
3., 5., 7.	Percent of Wisconsin youth (grades 6-8) who smoke.	12%
5., 7.	Percent of Wisconsin adults (persons 18 and over) who smoke.	24%
5.	Number of persons in Wisconsin with newly reported HIV infections. ¹	389
3., 4., 5.	Rate of completion for primary vaccinations among Wisconsin two-year-olds. ¹	80%
4.	Percent of uninsured eligible low-income children and adults enrolled in BadgerCare/Medical Assistance.	59%
3., 5.	Rate of child abuse and neglect victimization in Wisconsin per 1,000 children under 18-years of age. ¹	9.2
2., 4., 7.	Number of participants in the CIP 1A program. ¹	1,115

Note: Based on fiscal year.

¹Based on calendar year.

2001 AND 2002 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2001	Actual 2001	Goal 2002	Actual 2002 ³
3., 5., 7.	Percent of Wisconsin youth (grades 9-12) who smoke.	37%	33%	35%	32%
3., 5., 7.	Percent of Wisconsin youth (grades 6-8) who smoke.	N/A	9%	N/A	9%
5., 7.	Percent of Wisconsin adults (persons 18 and over) who smoke.	23%	23% ³	23%	23%
5.	Number of persons in Wisconsin with newly reported HIV infections. ¹	338	336	316	360
3., 4., 5.	Rate of completion for primary vaccinations among Wisconsin two-year-olds. ¹	86% ²	83% ³	86% ²	84%
4.	Percent of uninsured eligible low-income children and adults enrolled in BadgerCare/Medical Assistance.	75%	76%	76%	76%
3., 5.	Rate of child abuse and neglect victimization in Wisconsin per 1,000 children under 18-years of age. ¹	10.2	9	10	8.9
2., 4., 7.	Number of participants in the CIP 1A program. ¹	1,116	1,135	1,165	1,155

Note: Based on fiscal year.

¹Based on calendar year.

²The rate of completion for primary vaccinations among Wisconsin two-year-olds had increased from 78 percent in 1998 to 85 percent in 1999. These 2001 and 2002 goals, which were developed for the 2001-03 Biennial Budget, were based on the much higher 1999 rate.

³Selected data for 2001 and all data for 2002 are estimates rather than actuals. Actual data was not yet available.

2003, 2004 AND 2005 GOALS

Prog. No.	Performance Measure	Goal 2003	Goal 2004	Goal 2005
3., 5., 7.	Percent of Wisconsin youth (grades 9-12) who smoke.	31%	31%	30%
3., 5., 7.	Percent of Wisconsin youth (grades 6-8) who smoke.	9%	8%	8%
5., 7.	Percent of Wisconsin adults (persons 18 and over) who smoke.	22%	22%	21%
5.	Number of persons in Wisconsin with newly reported HIV infections. ¹	320	311	302
3., 4., 5.	Rate of completion for primary vaccinations among Wisconsin two-year-olds. ¹	85%	86%	87%
4.	Percent of uninsured eligible low-income children and adults enrolled in BadgerCare/Medical Assistance.	77%	77%	77%
3., 5.	Rate of child abuse and neglect victimization in Wisconsin per 1,000 children under 18-years of age. ¹	8.9	8.8	8.8
2., 4., 7.	Number of participants in the CIP 1A program. ¹	1,184	1,226	1,268

Note: Based on fiscal year.

¹Based on calendar year.

DEPARTMENT OF HEALTH AND FAMILY SERVICES

GOVERNOR'S BUDGET RECOMMENDATIONS

RECOMMENDATIONS

DEPARTMENTWIDE

1. Budget Efficiency Measures
2. Attorney Consolidation Initiative
3. Program and Segregated Revenue Lapses
4. Intermediate Care Facility for the Mentally Retarded Downsizing
5. Consumer Directed Personal Care
6. Health Insurance Portability and Accountability Act
7. Family Care Budget Simplification
8. Rent and Rent Debt Services
9. Municipal Services
10. Food and Variable Nonfood
11. Extend or Convert Project Positions
12. Technical Items
13. Federal and Program Revenue Reestimate
14. Debt Service Reestimate
15. Fuel and Utility Reestimate
16. Standard Budget Adjustments

PROGRAMS 1 AND 5 – PUBLIC HEALTH SERVICES PLANNING, REGULATION AND DELIVERY

17. Tobacco Control and Prevention
18. Budget Reorganization – Milk Certification Transfer
19. Radioactive Materials Licensing and Inspection
20. Grants for Children's Programs
21. Milwaukee Healthy Women and Infants Project
22. Retired Senior Volunteer Program

PROGRAM 2 – CARE AND TREATMENT FACILITIES

23. Downsizing Northern Wisconsin Center
24. Community Release Programs
25. Community Integration Program (CIP) 1A Reestimate
26. Institute Split Funding Reestimate
27. Shared Services
28. Position Transfer

PROGRAM 3 – CHILDREN AND FAMILY SERVICES

29. Milwaukee Child Welfare and Kinship Care Reestimate
30. State Foster Care and Adoption Assistance Reestimate
31. WiSACWIS Reestimate
32. Community Aids
33. Child Care Licensing Staff
34. TANF Funding Changes

PROGRAM 4 – HEALTH CARE FINANCING

35. Medical Assistance Base Reestimate
36. BadgerCare Reestimate
37. SeniorCare Reestimate
38. Intergovernmental Transfer Reestimate
39. Federal Revenue Maximization
40. Revenue Maximization Reinvestment
41. Medical Assistance Benefits and Patient Compensation Fund
42. Nursing Home Bed Assessment
43. County and Municipal Nursing Home Supplement
44. Labor Region Adjustments for Certain Nursing Homes
45. Graduate Medical Education
46. Medicare Crossover Claims for Outpatient Hospitals
47. Rural Hospital Adjustment
48. Health Maintenance Organization Assessment
49. Medical Assistance SSI Managed Care Expansion
50. Managed Care for Children in Out-of-Home Care
51. Reimbursements for Oxygen and Dialysis
52. Durable Medical Equipment Rental Payments
53. Pharmacy Savings
54. Medical Assistance Pharmacy Provider Reimbursement
55. SeniorCare Cost Sharing
56. BadgerCare Cost Sharing
57. Medical Assistance for Breast and Cervical Cancer

**PROGRAM 4 – HEALTH CARE FINANCING
(CONTINUED)**

- 58. AFDC – Unemployed Parent Rules in Medicaid
- 59. Medical Assistance Divestment
- 60. Special Enrollment Period for Health Insurance Premium Payment
- 61. Medical Assistance Program Integrity Enhancement
- 62. Spousal Impoverishment Asset Limit
- 63. Prior Authorization for Therapies
- 64. In-Home Autism Services
- 65. Personal Needs Allowance
- 66. Irrevocable Burial Trusts
- 67. Health Insurance Risk-Sharing Plan Reestimate
- 68. Health Insurance Risk-Sharing Plan General Purpose Revenue Reduction
- 69. Health Insurance Risk-Sharing Plan Procurement
- 70. Disease Aids Reestimate
- 71. Income Augmentation
- 72. Medical Assistance Contracts Reestimate
- 73. Food Stamps
- 74. Transfer of Burial Program
- 75. Position Realignment
- 76. Centralize Income Maintenance Administration
- 77. Eliminate WisconCare

PROGRAMS 6 AND 7 – SUPPORTIVE LIVING

- 78. SSI and Caretaker Supplement Reestimate
- 79. Caretaker Supplement Administration

- 80. Children's Long-Term Care System Redesign
- 81. Mental Health System Redesign
- 82. Hospital Diversion Program
- 83. Interpreting Services
- 84. Community Integration Program (CIP) 1A Rate
- 85. Facility Enforcement Activities

ITEMS NOT APPROVED

- 86. Dental Clinics in Federally Qualified Health Centers
- 87. Oral Health for Low-Income Populations
- 88. Dental Services for Individuals With Severe Disabilities
- 89. Nursing Home Downsizing
- 90. Overtime Pay Plan Increases
- 91. Services for Other Agencies
- 92. Repair and Maintenance
- 93. Medical Home
- 94. Prenatal Care Coordination
- 95. Medical Assistance for Youths Leaving Out-of-Home Care
- 96. Medical Assistance Income Limit for the Elderly and Disabled
- 97. Expand Estate Recovery
- 98. Food Stamps Appropriation Management
- 99. Brain Injury Waiver Slots
- 100. Facility Downsizing Work Load
- 101. Caregiver Background Checks
- 102. Value-Added Technical Assistance Project
- 103. Mental Health Program Certification Staff
- 104. Preventing Tobacco Sales to Minors

Table 1
Department Budget Summary by Funding Source (in thousands of dollars)

	ACTUAL FY02	ADJUSTED	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		BASE FY03	FY04	FY05	FY04	FY05
GENERAL PURPOSE REVENUE	\$1,896,290.5	\$1,975,730.4	\$2,208,549.6	\$2,433,634.0	\$1,378,912.3	\$2,316,872.1
State Operations	194,401.6	210,021.2	223,223.2	227,949.6	219,468.0	223,381.4
Local Assistance	343,939.3	363,892.1	359,523.3	361,130.1	353,970.1	346,574.1
Aids to Ind. & Org.	1,357,949.6	1,401,817.1	1,625,803.1	1,844,554.3	805,474.2	1,746,916.6
FEDERAL REVENUE (1)	2,659,694.7	2,811,658.6	3,464,119.6	3,628,637.4	3,134,262.4	3,199,341.9
State Operations	152,009.0	154,138.2	188,325.0	180,481.2	192,169.8	188,450.5
Local Assistance	138,448.3	162,396.8	169,856.8	165,442.4	163,611.8	152,862.9
Aids to Ind. & Org.	2,369,237.4	2,495,123.6	3,105,937.8	3,282,713.8	2,778,480.8	2,858,028.5
PROGRAM REVENUE (2)	1,336,998.2	372,444.0	432,518.9	443,756.1	386,120.3	385,391.4
State Operations	234,641.5	260,343.6	260,626.9	264,208.6	248,477.9	242,076.6
Local Assistance	30,036.5	31,626.7	30,865.8	31,219.6	30,721.3	30,992.4
Aids to Ind. & Org.	1,072,320.2	80,473.7	141,026.2	148,327.9	106,921.1	112,322.4
SEGREGATED REVENUE (3)	280,011.1	385,995.5	460,517.8	417,940.5	1,273,975.3	468,202.4
State Operations	4,820.4	5,321.9	5,847.2	6,380.9	5,880.4	6,415.8
Aids to Ind. & Org.	275,190.7	380,673.6	454,670.6	411,559.6	1,268,094.9	461,786.6
TOTALS-ANNUAL	6,172,994.5	5,545,828.5	6,565,705.9	6,923,968.0	6,173,270.3	6,369,807.8
State Operations	585,872.5	629,824.9	678,022.3	679,020.3	665,996.1	660,324.3
Local Assistance	512,424.1	557,915.6	560,245.9	557,792.1	548,303.2	530,429.4
Aids to Ind. & Org.	5,074,697.9	4,358,088.0	5,327,437.7	5,687,155.6	4,958,971.0	5,179,054.1

(1) Includes Program Revenue-Federal and Segregated Revenue-Federal

(2) Includes Program Revenue-Service and Program Revenue-Other

(3) Includes Segregated Revenue-Service, Segregated Revenue-Other and Segregated Revenue-Local

Table 2
Department Position Summary by Funding Source (in FTE positions) (4)

	ADJUSTED	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
	BASE FY03	FY04	FY05	FY04	FY05
GENERAL PURPOSE REVENUE	2,224.20	2,283.95	2,283.95	2,143.60	2,144.10
FEDERAL REVENUE (1)	1,100.93	1,098.58	1,095.70	1,069.01	1,066.51
PROGRAM REVENUE (2)	3,457.75	3,375.50	3,377.38	2,965.03	2,919.03
SEGREGATED REVENUE (3)	8.00	9.00	9.00	9.33	9.33
TOTALS-ANNUAL	6,790.88	6,767.03	6,766.03	6,186.97	6,138.97

(1) Includes Program Revenue-Federal and Segregated Revenue-Federal

(2) Includes Program Revenue-Service and Program Revenue-Other

(3) Includes Segregated Revenue-Service, Segregated Revenue-Other and Segregated Revenue-Local

(4) All positions are State Operations unless otherwise specified

**Table 3
Department Budget Summary by Program (in thousands of dollars)**

	ACTUAL FY02	ADJUSTED BASE FY03	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY04	FY05	FY04	FY05
1. Public health services planning, regulation and delivery; state operations	\$37,765.1	\$38,074.5	\$43,759.5	\$43,917.0	\$58,627.3	\$58,230.6
2. Care and treatment facilities	283,115.0	292,079.0	302,450.8	305,302.3	290,713.8	283,951.9
3. Children and family services	253,017.5	252,079.8	277,080.7	282,525.4	274,377.0	279,708.2
4. Health services planning, reg & delivery; hlth care fin; other support	4,763,041.3	4,125,612.1	5,066,661.5	5,418,959.6	4,677,741.5	4,883,293.2
5. Public health services planning, regulation & delivery; aids & local assist	103,623.3	94,765.2	132,842.4	133,842.4	129,818.4	129,818.4
6. Supportive living; state operations	41,492.4	44,666.0	48,840.8	48,657.8	46,083.3	44,007.6
7. Supportive living; aids and local assistance	624,789.4	630,402.4	623,348.8	623,116.6	624,207.6	621,289.6
8. General administration	66,150.5	68,149.5	70,721.4	67,646.9	71,701.4	69,508.3
TOTALS	6,172,994.5	5,545,828.5	6,565,705.9	6,923,968.0	6,173,270.3	6,369,807.8

**Table 4
Department Position Summary by Program (in FTE positions) (4)**

	ADJUSTED BASE FY03	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY04	FY05	FY04	FY05
1. Public health services planning, regulation and delivery; state operations	407.91	407.66	406.66	397.94	396.94
2. Care and treatment facilities	4,519.40	4,462.78	4,462.78	4,018.93	3,975.93
3. Children and family services	357.55	360.05	360.05	339.61	339.61
4. Health services planning, reg & delivery; hlth care fin; other support	631.09	635.59	634.59	609.55	609.55
6. Supportive living; state operations	458.41	468.42	469.42	419.67	418.67
8. General administration	416.52	432.53	432.53	401.27	398.27
TOTALS	6,790.88	6,767.03	6,766.03	6,186.97	6,138.97

(4) All positions are State Operations unless otherwise specified

DEPARTMENTWIDE

1. Budget Efficiency Measures

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-3,543,000	-94.60	-6,678,900	-94.60
PR-F	0	0.00	0	0.00	-1,540,600	-20.95	-2,201,600	-20.95
PR-O	0	0.00	0	0.00	-690,600	-15.83	-875,800	-131.83
PR-S	0	0.00	0	0.00	-370,200	10.29	-1,033,900	7.29
TOTAL	0	0.00	0	0.00	-6,144,400	-121.09	-10,790,200	-240.09

The Governor recommends implementing the following measures to reduce costs and improve efficiencies: (a) reducing the department's number of administrative staff positions to streamline management of central office functions; (b) reducing the number of deputy bureau directors; (c) eliminating three of eight district offices; (d) replacing private information technology contractors with cost-efficient department staff; (e) reducing funding for supplies and services contracts and (f) reducing staff at Southern Wisconsin Center.

2. Attorney Consolidation Initiative

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-122,700	-11.56	-163,600	-11.56
PR-F	0	0.00	0	0.00	-122,300	-5.80	-163,200	-5.80
TOTAL	0	0.00	0	0.00	-245,000	-17.36	-326,800	-17.36

The Governor recommends improving the provision of state legal services by consolidating attorneys under the secretary of the Department of Administration. The Department of Administration secretary will determine the assignment of attorneys to individual agencies. The initiative results in the reduction of expenditure and position authority within the department and the transfer of 13.15 FTE positions to the Department of Administration. Funding related to the transferred positions will remain in the department's budget to purchase legal services from the Department of Administration. See Department of Administration, Item #10.

3. Program and Segregated Revenue Lapses

The Governor recommends transferring balances to the general fund from the following appropriations: (a) \$162,500 PR in each year from s. 20.435(4)(hg); (b) \$50,000 PR in each year from s. 20.435(4)(hi); and (c) \$275,000 PR in each year from s. 20.435(6)(jm).

4. Intermediate Care Facility for the Mentally Retarded Downsizing

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	1,000,800	1.13	2,881,400	1.13	-53,800	0.00	438,900	0.50
PR-F	1,368,300	0.88	4,085,200	2.00	0	0.00	673,200	0.50
PR-O	0	0.00	67,500	1.88	0	0.00	0	0.00
TOTAL	2,369,100	2.01	7,034,100	5.01	-53,800	0.00	1,112,100	1.00

The Governor recommends funding to improve access to community-based long-term care for individuals with developmental disabilities and to assist intermediate care facilities for the mentally retarded in streamlining their facilities. State law will hold counties liable for the long-term care costs of all disabled residents, but counties will receive funds equal to the costs of developmentally disabled residents living in institutions. This effort will restrict institutional admissions of developmentally disabled individuals and ensure disabled individuals are assessed for the possibility of placement into the community. Funding will provide for 25 new Community Integration Program 1B slots in FY05, as well as phaseout funds for facilities.

5. Consumer Directed Personal Care

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	37,500	0.50	89,100	0.50	0	0.00	0	0.00
PR-F	44,500	0.50	96,100	0.50	0	0.00	0	0.00
TOTAL	82,000	1.00	185,200	1.00	0	0.00	0	0.00

The Governor recommends implementing a consumer-directed personal care benefit as a Medical Assistance demonstration program for 100 current community waiver participants. This provision will establish an annual personal care benefit for participants, and permit these individuals to choose a personalized package of personal care services that do not exceed the cost of the annual benefit. Demonstration funding will be provided by reallocating funds from the Medical Assistance fee-for-service budget. The department will submit a federal waiver to implement the demonstration.

6. Health Insurance Portability and Accountability Act

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-F	9,233,300	0.00	2,627,400	0.00	8,044,200	0.00	2,501,300	0.00
PR-O	165,000	0.00	165,000	0.00	132,000	0.00	132,000	0.00
PR-S	690,000	0.00	475,000	0.00	552,000	0.00	380,000	0.00
TOTAL	10,088,300	0.00	3,267,400	0.00	8,728,200	0.00	3,013,300	0.00

The Governor recommends reestimating the costs to continue to modify all departmental health care information systems to comply with the requirements of the Health Insurance Portability and Accountability Act. This federal law, passed in 1996, outlines a process to achieve uniform national health data standards. This will require the department to analyze all of its data systems that collect health information, determine which items must be changed to comply with federal rules, and complete the necessary programming to implement changes to the systems.

7. Family Care Budget Simplification

The Governor recommends transferring funding among Community Aids and Family Care appropriations to reflect the actual Family Care transition schedule in the 2001-03 biennium and to simplify the Family Care budget structure. This proposal will align and consolidate appropriations within specific Family Care functions, reduce administrative work load and facilitate program monitoring and oversight.

8. Rent and Rent Debt Services

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	50,500	0.00	72,100	0.00	0	0.00	0	0.00
PR-F	226,500	0.00	292,000	0.00	211,700	0.00	277,200	0.00
PR-O	180,000	0.00	196,200	0.00	187,900	0.00	204,100	0.00
PR-S	74,100	0.00	82,400	0.00	75,900	0.00	84,200	0.00
SEG-O	5,900	0.00	6,600	0.00	6,200	0.00	6,900	0.00
TOTAL	537,000	0.00	649,300	0.00	481,700	0.00	572,400	0.00

The Governor recommends providing expenditure authority for projected increases in space rental costs for state-owned space, increases in rental rates of leased space and for the debt service portion of space rent costs which is not reimbursed by the federal government.

9. Municipal Services

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	59,400	0.00	59,400	0.00	59,400	0.00	59,400	0.00
PR-S	-23,000	0.00	-23,000	0.00	-23,000	0.00	-23,000	0.00
TOTAL	36,400	0.00	36,400	0.00	36,400	0.00	36,400	0.00

The Governor recommends providing funding to support increases in payments for municipal services.

10. Food and Variable Nonfood

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	1,484,400	0.00	2,289,100	0.00	1,346,300	0.00	2,048,100	0.00
PR-O	733,500	0.00	1,181,100	0.00	587,800	0.00	935,400	0.00
TOTAL	2,217,900	0.00	3,470,200	0.00	1,934,100	0.00	2,983,500	0.00

The Governor recommends reestimating the costs of supplies, clothing, drugs, medical costs and food for the mental health institutes, the Wisconsin Resource Center, the Sand Ridge Secure Treatment Center and the centers for the developmentally disabled.

11. Extend or Convert Project Positions

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	175,300	4.20	233,500	4.20	175,300	4.20	233,500	4.20
PR-F	495,000	11.80	832,700	14.80	495,000	11.80	832,700	14.80
PR-O	0	0.00	32,000	1.00	0	0.00	32,000	1.00
TOTAL	670,300	16.00	1,098,200	20.00	670,300	16.00	1,098,200	20.00

The Governor recommends extending and converting the following project positions ending in the 2003-05 biennium: (a) convert 5.0 FTE positions to permanent status and extend 1.0 FTE project position in the Division of Public Health (\$271,700 in FY04 and \$457,000 in FY05); (b) convert 4.38 FTE positions to permanent status and extend 4.0 FTE project positions in the Division of Children and Family Services (\$346,300 in FY04 and \$521,100 in FY05); (c) convert 1.0 FTE position to permanent status in the Division of Health Care Financing (\$32,000 in FY05); (d) convert 0.62 FTE position to permanent status in the Division of Management and Technology (\$43,700 in FY05); and (e) convert 1.0 FTE position to permanent status in the Office of Strategic Finance (\$45,400 in FY05).

12. Technical Items

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-F	-183,900	-3.00	-183,900	-3.00	-183,900	-2.94	-183,900	-2.94
PR-O	43,400	0.50	43,400	0.50	432,800	0.50	175,000	0.50
PR-S	-8,500	-1.00	-8,500	-1.00	-8,500	-1.00	-8,500	-1.00
TOTAL	-149,000	-3.50	-149,000	-3.50	240,400	-3.44	-17,400	-3.44

The Governor recommends making technical budget adjustments and formalizing internal transfers of positions resulting from 2001 Wisconsin Act 16 provisions.

13. Federal and Program Revenue Reestimate

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-F	46,590,100	0.00	43,600,000	0.00	46,590,100	0.00	43,600,000	0.00
PR-O	2,766,200	0.00	3,577,500	0.00	2,766,200	0.00	3,577,500	0.00
PR-S	3,070,400	0.00	5,337,300	0.00	3,070,400	0.00	5,337,300	0.00
TOTAL	52,426,700	0.00	52,514,800	0.00	52,426,700	0.00	52,514,800	0.00

The Governor recommends adjusting the department's base budget level for reestimates of program revenue appropriations.

14. Debt Service Reestimate

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-196,000	0.00	-432,000	0.00
TOTAL	0	0.00	0	0.00	-196,000	0.00	-432,000	0.00

The Governor recommends adjusting the department's base budget to reflect a reestimate of debt service on authorized bonds.

15. Fuel and Utility Reestimate

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-41,000	0.00	900	0.00
TOTAL	0	0.00	0	0.00	-41,000	0.00	900	0.00

The Governor recommends adjustments to the fuel and utilities budget for expected changes in prices and for statistically normal weather conditions.

16. Standard Budget Adjustments

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	2,537,100	-4.19	2,480,400	-4.19	2,332,800	-30.25	2,274,600	-30.25
PR-F	4,821,600	-11.80	4,356,300	-17.80	4,839,400	-11.30	4,373,500	-17.30
PR-O	359,700	-0.01	328,500	-1.01	-451,200	-13.51	-483,200	-14.51
PR-S	-523,300	0.00	-523,200	0.00	-486,800	0.00	-486,800	0.00
SEG-O	-407,000	0.00	-407,000	0.00	-382,500	0.33	-382,500	0.33
TOTAL	6,788,100	-16.00	6,235,000	-23.00	5,851,700	-54.73	5,295,600	-61.73

The Governor recommends adjusting the department's base budget for: (a) turnover reduction (-\$5,308,700 in each year); (b) removal of noncontinuing elements from the base (-\$8,124,200 and 16.0 FTE in FY04 and -\$8,680,300 and 23.0 FTE in FY05); (c); full funding of continuing position salaries and fringe benefits (\$10,815,700 in each year); (d) funding of ongoing s. 13.10 supplements (-\$903,900 and -38.73 FTE in each year); (e) overtime (\$5,541,600 in each year); (f) night and weekend differential pay (\$3,691,900 in each year); (g) fifth week of vacation as cash (\$139,300 in each year); and (h) minor transfers within the same alpha appropriation (no net fiscal effect).

PROGRAMS 1 AND 5 – PUBLIC HEALTH SERVICES PLANNING, REGULATION AND DELIVERY

17. Tobacco Control and Prevention

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	0	0.00	0	0.00	15,054,500	1.00	15,062,000	1.00
TOTAL	0	0.00	0	0.00	15,054,500	1.00	15,062,000	1.00

The Governor recommends providing funding and 1.0 FTE position to the Division of Health for tobacco control and prevention. With the elimination of the Tobacco Control Board (see Tobacco Control Board, Item #1), tobacco prevention and control activities will be consolidated in one agency.

18. Budget Reorganization – Milk Certification Transfer

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-362,100	-5.00	-362,100	-5.00
TOTAL	0	0.00	0	0.00	-362,100	-5.00	-362,100	-5.00

The Governor recommends transferring the milk certification program from the department to the Department of Agriculture, Trade and Consumer Protection to consolidate all milk inspection functions in one agency. See Department of Agriculture, Trade and Consumer Protection, Item #3.

19. Radioactive Materials Licensing and Inspection

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	135,900	0.25	115,900	0.25	135,900	0.25	115,900	0.25
TOTAL	135,900	0.25	115,900	0.25	135,900	0.25	115,900	0.25

The Governor recommends providing staff and funding to continue the process of assuming responsibility from the federal Nuclear Regulatory Commission for the oversight of radioactive materials which is currently partly under federal and partly under state jurisdiction. The program is funded by a temporary surcharge on fees paid by those entities that purchase radioactive material licenses.

20. Grants for Children's Programs

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-185,000	0.00	-185,000	0.00
TOTAL	0	0.00	0	0.00	-185,000	0.00	-185,000	0.00

The Governor recommends eliminating GPR funding for grants for the Career Youth Development Substance Abuse Program (\$80,000), for court-appointed special advocates (\$50,000), the children's safe house project and the Police Athletic League (\$5,000) and replacing that funding with funds from the Office of Justice Assistance.

21. Milwaukee Healthy Women and Infants Project

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	-163,800	0.00	-163,800	0.00	-163,800	0.00	-163,800	0.00
TOTAL	-163,800	0.00	-163,800	0.00	-163,800	0.00	-163,800	0.00

The Governor recommends eliminating funding originally provided to the Milwaukee Healthy Women and Infants Project. A grant of \$100,000 GPR was made to the program but the program closed in FY99 and the funding has lapsed every year. The department budget also includes \$63,800 GPR that served as a match to a federal grant administered by the Department of Workforce Development. Since the memorandum of understanding with the Department of Workforce Development expired several years ago, this funding is no longer needed.

22. Retired Senior Volunteer Program

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-502,600	0.00	-502,600	0.00
TOTAL	0	0.00	0	0.00	-502,600	0.00	-502,600	0.00

The Governor recommends eliminating the Retired Senior Volunteer Program in order to balance the budget. A state GPR supplement is not necessary for a program that is primarily funded through a federal grant.

PROGRAM 2 – CARE AND TREATMENT FACILITIES

23. Downsizing Northern Wisconsin Center

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-2,891,500	2.00	-6,305,900	2.00
PR-F	0	0.00	0	0.00	-4,128,100	2.00	-7,282,300	2.00
PR-O	0	0.00	0	0.00	-7,982,300	-377.93	-16,231,200	-304.93
TOTAL	0	0.00	0	0.00	-15,001,900	-373.93	-29,819,400	-300.93

The Governor recommends significantly downsizing the Northern Wisconsin Center for the Developmentally Disabled during the next biennium. The department is in the process of developing a comprehensive plan that will ensure the needs of the residents and their families are fully addressed throughout the community placement process.

24. Community Release Programs

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	1,743,700	0.00	3,256,100	0.00	1,337,200	0.00	2,675,500	0.00
TOTAL	1,743,700	0.00	3,256,100	0.00	1,337,200	0.00	2,675,500	0.00

The Governor recommends reestimating funding needed for the conditional release program, the supervised release program and competency-to-stand-trial examinations. The Governor further recommends approving statutory language to clarify that the department can only do competency exams on persons in locked facilities and not for those out on bail.

25. Community Integration Program (CIP) 1A Reestimate

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	-2,518,400	-51.61	-2,518,400	-51.61	-2,518,400	-51.61	-2,518,400	-51.61
TOTAL	-2,518,400	-51.61	-2,518,400	-51.61	-2,518,400	-51.61	-2,518,400	-51.61

The Governor recommends reestimating the budgets of the three centers for the developmentally disabled to reflect placements of residents into the Community Integration Program (CIP) 1A during the 2001-03 biennium. For every person placed in the community, each center must reduce its staff and funding at a specified daily rate. In FY02, 21 residents were placed in the community and an additional 12 will be placed in FY03.

26. Institute Split Funding Reestimate

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	2,053,100	21.81	2,076,400	21.81	2,053,100	21.81	2,076,400	21.81
PR-O	-2,053,100	-21.81	-2,076,400	-21.81	-2,053,100	-21.81	-2,076,400	-21.81
TOTAL	0	0.00	0	0.00	0	0.00	0	0.00

The Governor recommends reestimating the GPR/PR-O split of overhead costs at the Mendota and Winnebago Mental Health Institutes based on the projected population split between GPR-funded forensics patients and all other PR-funded patients. The split will change from 63 percent GPR/37 percent PR for Mendota to 65 percent GPR/35 percent PR. For Winnebago, the split will change from 52 percent GPR/48 percent PR to 53 percent GPR/47 percent PR.

27. Shared Services

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	31.62	0	31.62	0	31.62	0	31.62
PR-O	0	15.76	0	15.76	0	15.76	0	15.76
PR-S	-2,116,200	-47.38	-2,116,200	-47.38	-2,116,200	-47.38	-2,116,200	-47.38
TOTAL	-2,116,200	0.00	-2,116,200	0.00	-2,116,200	0.00	-2,116,200	0.00

The Governor recommends providing additional GPR and PR-O position authority and decreasing PR-S funding and position authority. The current practice is that certain positions are shared between Division of Care and Treatment Facilities' institutions such as the Winnebago Mental Health Institute and the Wisconsin Resource Center. The positions are currently budgeted in a PR-S appropriation and one facility bills the other for the use of these positions. This request places the position authority directly in the institution appropriation and eliminates associated PR-S funding and position authority. No new funding is necessary since the institution that was billed already has funding to pay for the services.

28. Position Transfer

The Governor recommends transferring 3.88 FTE GPR positions and \$288,600 for staff that conduct the evaluations of sexual predators from the Mendota Mental Health Institute to the Sand Ridge Secure Treatment Center where the majority of the predators are housed.

PROGRAM 3 – CHILDREN AND FAMILY SERVICES**29. Milwaukee Child Welfare and Kinship Care Reestimate**

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	6,643,400	3.18	7,331,000	3.18	2,274,600	3.18	3,041,700	3.18
PR-F	746,400	-3.18	-341,600	-3.18	-399,300	-3.18	-1,389,000	-3.18
PR-O	607,700	0.00	607,700	0.00	607,700	0.00	607,700	0.00
PR-S	418,000	0.00	463,600	0.00	1,183,600	0.00	1,266,900	0.00
TOTAL	8,415,500	0.00	8,060,700	0.00	3,666,600	0.00	3,527,300	0.00

The Governor recommends: (a) adjusting the department's base level funding to reflect a reestimate of projected caseloads and federal funding; (b) increasing funding for supplies and services and the computerized case management system; (c) allocating a greater portion of the program's administrative costs to temporary assistance for needy families (TANF) funding due to changes in the method of determining eligibility for this program; and (d) replacing 3.18 FTE FED positions with 3.18 FTE GPR positions in FY04 and FY05.

30. State Foster Care and Adoption Assistance Reestimate

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	3,704,000	0.00	7,179,800	0.00	5,644,200	0.00	9,503,900	0.00
PR-F	2,713,600	0.00	5,974,000	0.00	4,352,300	0.00	7,974,300	0.00
TOTAL	6,417,600	0.00	13,153,800	0.00	9,996,500	0.00	17,478,200	0.00

The Governor recommends increasing funding to support state adoption and foster care expenditures to reflect estimated caseload changes and rate increases for the direct care of children in subsidized adoption, foster homes, group homes and child caring institutions.

31. WiSACWIS Reestimate

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	2,996,500	0.00	-234,000	0.00	2,240,900	0.00
PR-F	5,046,100	0.00	3,165,500	0.00	4,462,500	0.00	2,614,300	0.00
PR-O	-96,000	0.00	127,200	0.00	-240,500	0.00	-115,200	0.00
PR-S	562,700	0.00	562,700	0.00	518,600	0.00	518,600	0.00
TOTAL	5,512,800	0.00	6,851,900	0.00	4,506,600	0.00	5,258,600	0.00

The Governor recommends increasing funding to complete implementation of the Wisconsin Statewide Automated Child Welfare Information System (WiSACWIS). WiSACWIS is the child welfare case management system.

32. Community Aids

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	35,900	0.00	35,900	0.00	0	0.00	0	0.00
PR-F	-1,059,500	0.00	-1,059,500	0.00	-1,059,500	0.00	-1,059,500	0.00
TOTAL	-1,023,600	0.00	-1,023,600	0.00	-1,059,500	0.00	-1,059,500	0.00

The Governor recommends the following changes for the Community Aids program: (a) reduce federal expenditure authority to reflect reestimates of awards under the Social Services Block Grant (SSBG), the temporary assistance for needy families (TANF) block grant converted to the SSBG, and child welfare (Title IV-E) funding; (b) make transfers of GPR and FED expenditure authority between the basic county allocation and the Family Care program; and (c) direct the department to use federal Medical Assistance reimbursements for preventing out-of-home care/kinship care placements in order to minimize the effects of reduced federal child welfare (Title IV-E) funding.

33. Child Care Licensing Staff

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	150,900	3.00	163,500	3.00	100,600	2.00	109,000	2.00
PR-S	100,600	2.00	109,000	2.00	0	0.00	0	0.00
TOTAL	251,500	5.00	272,500	5.00	100,600	2.00	109,000	2.00

The Governor recommends providing additional staff for licensing child care facilities, such as day care centers, that will be supported by license fees. The additional positions will help offset reductions in child care development funds received from the Department of Workforce Development.

34. TANF Funding Changes

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	1,367,100	0.00	1,367,100	0.00
PR-S	0	0.00	0	0.00	-3,617,100	0.00	-3,617,100	0.00
TOTAL	0	0.00	0	0.00	-2,250,000	0.00	-2,250,000	0.00

The Governor recommends changes to expenditure authority for programs funded with the temporary assistance for needy families (TANF) block grant as a means of balancing the TANF budget. The changes include: (a) eliminating \$1,000,000 annually for immunization education and outreach efforts; (b) eliminating \$1,000,000 annually for nutrition education and outreach efforts; (c) replacing \$1,367,100 TANF with GPR annually for the Brighter Futures and Tribal Adolescent Services programs; and (d) reducing funding for domestic violence grants by \$250,000 annually. See details of the entire TANF budget under the Department of Workforce Development, Item #18.

PROGRAM 4 – HEALTH CARE FINANCING

35. Medical Assistance Base Reestimate

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	173,096,700	0.00	360,065,100	0.00	155,890,100	0.00	313,157,000	0.00
PR-F	238,056,900	0.00	361,396,900	0.00	193,177,500	0.00	266,625,400	0.00
SEG-O	0	0.00	-105,812,000	0.00	0	0.00	-105,358,000	0.00
TOTAL	411,153,600	0.00	615,650,000	0.00	349,067,600	0.00	474,424,400	0.00

The Governor recommends modifying the department's request for Medical Assistance funding to reflect new estimates of the federal financial participation rate and caseload, and to correct technical errors.

36. BadgerCare Reestimate

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	14,363,600	0.00	23,062,800	0.00	11,569,900	0.00	11,654,200	0.00
PR-F	37,983,900	0.00	56,544,600	0.00	21,501,100	0.00	21,653,500	0.00
PR-O	862,600	0.00	975,600	0.00	892,300	0.00	853,300	0.00
SEG-O	-706,700	0.00	-706,700	0.00	-706,700	0.00	-706,700	0.00
TOTAL	52,503,400	0.00	79,876,300	0.00	33,256,600	0.00	33,454,300	0.00

The Governor recommends modifying the department's request for BadgerCare funding to reflect new estimates of the federal financial participation rate and caseload, and to correct technical errors.

37. SeniorCare Reestimate

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	37,900,100	0.00	54,494,700	0.00	1,901,500	0.00	22,428,200	0.00
PR-F	90,199,900	0.00	107,105,300	0.00	42,437,600	0.00	57,551,500	0.00
PR-O	46,300,000	0.00	53,400,000	0.00	20,686,600	0.00	28,510,200	0.00
TOTAL	174,400,000	0.00	215,000,000	0.00	65,025,700	0.00	108,489,900	0.00

The Governor recommends modifying the department's request for SeniorCare funding to reflect new estimates of program participation and changes in the federal financial participation rate.

38. Intergovernmental Transfer Reestimate

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-40,513,900	0.00	83,115,400	0.00
SEG-O	0	0.00	0	0.00	40,513,900	0.00	-83,115,400	0.00
TOTAL	0	0.00	0	0.00	0	0.00	0	0.00

The Governor recommends updating the estimated level of claims to be made under the intergovernmental transfer (IGT) program for nursing homes. This reestimate reflects a reduced balance due to the proposed use of additional IGT funds to meet the projected shortfall in FY03 funding for Medical Assistance and BadgerCare that is included in the Governor's Deficit Reduction bill, a reduction in claims due to a decrease in nursing home days and an increase in claims due to the reduction in IGT funding for nursing homes (see Items #43 and #44).

39. Federal Revenue Maximization

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-422,423,700	0.00	30,500,000	0.00
PR-F	0	0.00	0	0.00	17,819,100	0.00	17,806,100	0.00
SEG-O	0	0.00	0	0.00	475,998,200	0.00	15,530,500	0.00
TOTAL	0	0.00	0	0.00	71,393,600	0.00	63,836,600	0.00

The Governor recommends increasing the estimate of revenues in the Medical Assistance trust fund to reflect new revenues generated by the department through continued federal revenue maximization efforts. These funds will be used to preserve and protect the current Medical Assistance program, expand access to community-based long-term care services and increase rates to Medical Assistance providers (see Item #40). This item also reflects administrative expenses that will be incurred by the department in generating this revenue. The use of federal revenue maximization allows the Medical Assistance program to avoid reducing provider rates and restricting eligibility.

40. Revenue Maximization Reinvestment

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-F	0	0.00	0	0.00	30,310,500	0.50	59,000,000	0.50
PR-S	0	0.00	0	0.00	31,800	0.50	73,900	0.50
SEG-O	0	0.00	0	0.00	20,733,300	0.00	41,137,700	0.00
TOTAL	0	0.00	0	0.00	51,075,600	1.00	100,211,600	1.00

The Governor recommends using proceeds from revenue maximization efforts to expand services and reimbursement under the Medical Assistance program as follows:

1. Increase the number of slots and reimbursement to counties under the Community Options Waiver Program, the Community Integration Program II and Community Integration Program 1B.
2. Expand the Kenosha County Care Management Organization, which provides a range of long-term care services to the elderly and disabled under the Kenosha County Family Care program, effective July 1, 2004. Kenosha County currently has a Resource Center under the Family Care Program which provides a variety of services to the general population, including information about services and providers available in the community, counseling about long-term care options and eligibility determination for the Family Care benefit.
3. Improve access to community-based long-term care for the elderly, physically disabled and brain injured nursing home residents and assist nursing homes in streamlining their facilities. This provision would create a Community Integration Program II slot for any elderly or physically disabled nursing home resident on a waiting list for community care at an enhanced rate, and would likewise create Brain Injury Waiver slots for any brain injured resident on the wait list for this program. Counties would be required to assess the feasibility of placing into the community, nursing home residents eligible for Medical Assistance who are also on a waiting list. One-time funding would be provided to counties to address the increase in relocation work load, and additional funding would be provided to assist nursing homes in phasing down their facilities.

4. Increase Medical Assistance reimbursement rates for the following noninstitutional providers: (a) 10 percent per year for Home Health agencies; (b) 10 percent per year for speech and language therapy; (c) 45 percent per year for family planning; (d) 55.9 percent for family planning drugs; and (e) two percent per year for income maintenance agencies.
5. Increase reimbursement rates for common carrier transportation by 17¢ per mile for common carriers drivers, 20¢ per mile for human service operators and 1¢ per mile for county administration rates.
6. Increase reimbursement for outpatient mental health services by \$19.87 per visit. These rate increases would be funded using revenues from the Medical Assistance trust fund.
7. Increase funding to fund the annual cost of the Community Support Program waiting list by FY05.

41. Medical Assistance Benefits and Patient Compensation Fund

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-200,000,000	0.00	0	0.00
SEG-O	0	0.00	0	0.00	200,000,000	0.00	0	0.00
TOTAL	0	0.00	0	0.00	0	0.00	0	0.00

The Governor recommends reducing on a one-time basis the Medical Assistance and BadgerCare benefits appropriations in FY04 to help balance the budget (see Item #39). To avoid severe cuts in Medical Assistance and BadgerCare provider rates, the Governor recommends offsetting these reductions by transferring \$200,000,000 from the health care provider availability and cost control fund which in turn derives from a transfer from the Patient Compensation fund balance of \$550,000,000. See Office of the Commissioner of Insurance, Item #4.

42. Nursing Home Bed Assessment

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	-6,547,000	0.00	-6,934,100	0.00	-12,124,400	0.00	4,005,100	0.00
PR-F	6,547,000	0.00	6,934,100	0.00	29,080,400	0.00	27,978,700	0.00
PR-O	5,473,700	0.00	5,364,200	0.00	4,176,000	0.00	3,823,600	0.00
SEG-O	11,210,000	0.00	11,475,800	0.00	51,771,300	0.00	49,832,500	0.00
TOTAL	16,683,700	0.00	16,840,000	0.00	72,903,300	0.00	85,639,900	0.00

The Governor recommends assessing all licensed beds in nursing homes and intermediate care facilities for the mentally retarded (ICF-MR). Beds filled with Medicare recipients or that are owned by state facilities will no longer be exempt from the assessment. The Governor further recommends increasing the assessment from \$32 to \$117 per licensed nursing home bed per month, and increasing the assessment from \$100 to \$435 per licensed ICF-MR bed per month in FY04 and to \$445 per bed per month in FY05. Assessment revenue will be used to make incentive payments to facilities, increase nursing home reimbursement by 3.3 percent per year and reduce GPR expenditures in the Medical Assistance program.

43. County and Municipal Nursing Home Supplement

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-F	0	0.00	0	0.00	-23,366,000	0.00	-23,364,000	0.00
SEG-O	0	0.00	0	0.00	-16,634,000	0.00	-16,636,000	0.00
TOTAL	0	0.00	0	0.00	-40,000,000	0.00	-40,000,000	0.00

The Governor recommends reducing the annual supplement paid to county- and municipally-owned nursing homes to FY01 levels. The supplement was increased in 2001 Wisconsin Act 16 based on the availability of intergovernmental transfer (IGT) funds to pay for the supplement. The annual claim of IGT revenues related to nursing home care will decrease from \$327 million in FY03 to \$27 million in FY04, necessitating a reduction in the supplement.

44. Labor Region Adjustments for Certain Nursing Homes

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-F	0	0.00	0	0.00	-300,200	0.00	-300,200	0.00
SEG-O	0	0.00	0	0.00	-213,700	0.00	-213,700	0.00
TOTAL	0	0.00	0	0.00	-513,900	0.00	-513,900	0.00

The Governor recommends eliminating the requirement that the department use the Medicare hospital cost index in determining the labor region adjustment to direct care cost targets for nursing homes in St. Croix, Pierce and Douglas counties. This requirement was established in 2001 Wisconsin Act 109, using funds from the Medical Assistance trust fund. This requirement will be eliminated as a cost containment measure.

45. Graduate Medical Education

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	-7,900,000	0.00	-7,900,000	0.00	-11,890,000	0.00	-11,890,000	0.00
PR-F	-11,204,000	0.00	-11,237,600	0.00	-16,702,000	0.00	-16,698,600	0.00
TOTAL	-19,104,000	0.00	-19,137,600	0.00	-28,592,000	0.00	-28,588,600	0.00

The Governor recommends eliminating enhanced hospital reimbursement under the Medical Assistance program for graduate medical education. This reduction would eliminate both the direct and indirect graduate medical education supplements.

46. Medicare Crossover Claims for Outpatient Hospitals

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	-2,726,900	0.50	-4,294,000	0.00	-3,638,700	0.00	-7,278,300	0.00
PR-F	-3,824,700	1.50	-6,108,200	0.00	-5,111,300	0.00	-10,221,800	0.00
TOTAL	-6,551,600	2.00	-10,402,200	0.00	-8,750,000	0.00	-17,500,100	0.00

The Governor recommends limiting the amount of crossover payments made to hospitals under the Medical Assistance program to the difference between the Medical Assistance rate per visit and the sum of all Medicare payments for services during that visit. This change would require administrative funding to modify the Medicaid Management Information System. The request to use a portion of the funds to increase the reimbursement rate for outpatient hospital services is denied.

47. Rural Hospital Adjustment

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-937,000	0.00	-937,000	0.00
PR-F	0	0.00	0	0.00	-1,316,200	0.00	-1,315,900	0.00
TOTAL	0	0.00	0	0.00	-2,253,200	0.00	-2,252,900	0.00

The Governor recommends eliminating the special supplement under Medical Assistance for rural hospitals as a cost containment measure. Approximately 58 hospitals benefit from this adjustment.

48. Health Maintenance Organization Assessment

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-13,873,000	0.00	-8,276,500	0.00
PR-F	0	0.00	0	0.00	23,630,600	0.00	27,078,100	0.00
SEG-O	0	0.00	0	0.00	37,465,300	0.00	39,713,200	0.00
TOTAL	0	0.00	0	0.00	47,222,900	0.00	58,514,800	0.00

The Governor recommends instituting a one percent assessment on gross revenues of health maintenance organizations (HMOs). These revenues will be used to leverage additional federal revenues and meet three primary goals: (a) to make enhanced payments to HMOs who are also Medical Assistance and BadgerCare providers; (b) to provide for a 6.1 percent per year increase in Medical Assistance reimbursement for HMOs; and (c) to provide additional funds to ensure HMOs serving Medical Assistance and BadgerCare recipients maintain reimbursement rates at an eight percent discount compared to fee-for-service reimbursement. Any remaining funds at the end of the fiscal year will be used for ongoing Medical Assistance and BadgerCare program costs.

49. Medical Assistance SSI Managed Care Expansion

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	-831,300	0.00	-3,000,200	0.00	-836,000	0.00	-15,500,200	0.00
PR-F	-1,179,000	0.00	-4,268,000	0.00	-1,174,300	0.00	-21,768,900	0.00
TOTAL	-2,010,300	0.00	-7,268,200	0.00	-2,010,300	0.00	-37,269,100	0.00

The Governor recommends extending the use of managed care to provide medical care to disabled individuals enrolled in the Supplemental Security Income (SSI) program to the maximum extent possible. The secretary of the department is directed to seek a federal waiver to increase the number of regions in which the state can require mandatory participation in managed care by SSI recipients.

50. Managed Care for Children in Out-of-Home Care

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	182,600	1.00	183,500	1.00	163,100	1.00	166,500	1.00
PR-F	182,600	1.00	183,500	1.00	163,100	1.00	166,500	1.00
TOTAL	365,200	2.00	367,000	2.00	326,200	2.00	333,000	2.00

The Governor recommends funding and positions to support quality assurance activities for and the evaluation of a managed care program in Milwaukee for children in out-of-home care. The managed care program, to be implemented in October 2003, will improve the coordination of care and access to providers for out-of-home children.

51. Reimbursements for Oxygen and Dialysis

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	-2,500,000	0.00	-2,500,000	0.00	-2,514,100	0.00	-2,518,800	0.00
PR-F	-3,545,600	0.00	-3,556,200	0.00	-3,531,500	0.00	-3,537,400	0.00
TOTAL	-6,045,600	0.00	-6,056,200	0.00	-6,045,600	0.00	-6,056,200	0.00

The Governor recommends implementing a daily rate reimbursement system for services purchased under Medical Assistance for oxygen and dialysis for end-stage renal disease at free-standing clinics. This change will end the current practice of reimbursing separately for equipment rental, accessories and oxygen content, and will instead reimburse for all services under a daily rate, making the rate methodology identical to Medicare.

52. Durable Medical Equipment Rental Payments

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	-311,500	0.00	-623,000	0.00	-313,300	0.00	-1,127,700	0.00
PR-F	-441,800	0.00	-886,200	0.00	-440,000	0.00	-1,583,700	0.00
TOTAL	-753,300	0.00	-1,509,200	0.00	-753,300	0.00	-2,711,400	0.00

The Governor recommends modifying reimbursement rates for durable medical equipment rentals by capping payments at the equipment's purchase price, stopping current payment on items for which rental payments have exceeded the purchase price and establishing a mechanism to stop payment when the sum of rental payments exceeds the purchase price. This change will make reimbursement under Medical Assistance for durable medical equipment similar to Medicare reimbursement. The department is also directed to pursue, by FY05, a request for proposal to purchase durable medical equipment in bulk quantities as an additional cost containment measure.

53. Pharmacy Savings

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-26,149,200	0.00	-36,974,400	0.00
PR-F	0	0.00	0	0.00	-32,390,700	0.00	-46,114,900	0.00
PR-O	0	0.00	0	0.00	-793,800	0.00	-1,124,400	0.00
TOTAL	0	0.00	0	0.00	-59,333,700	0.00	-84,213,700	0.00

The Governor recommends reducing prescription drug expenditures in Medical Assistance, BadgerCare and SeniorCare by utilizing innovative purchasing strategies, increasing cost sharing among participants and reducing provider reimbursement to pharmacies. These changes will help offset the 15 percent increase in prescription drug costs seen in these programs.

To achieve savings the department would expand the use of prior authorization for prescription drugs in the Medical Assistance, BadgerCare and SeniorCare programs in instances where there are less expensive but therapeutically equivalent drugs available. The department would also explore the creation of a preferred drug list in order to leverage additional discounts from pharmaceutical manufacturers, as well as additional therapeutic classes of drugs for review with the intent of further prior authorization expansions.

The department will, in addition, adopt the use of mail order pharmacies to fill prescriptions for maintenance drugs for Medical Assistance, BadgerCare and SeniorCare participants on a voluntary basis. The department will establish contracts with one or more mail order pharmacies selected on a competitive basis and begin offering mail order services starting July 1, 2003.

To encourage responsible use of prescriptions by participants, copayments paid by Medical Assistance and BadgerCare recipients will increase from 50¢ to \$1 for generic drugs and from \$1 to \$3 for brand name drugs. The monthly maximum amount of copayments a recipient is required to pay to each pharmacy from which the recipient receives drugs would increase from \$5 to \$12 per month.

Finally, some enhanced dispensing fees for pharmacies for repackaging prescription drugs will be eliminated, including the repackaging allowance and unit dose dispensing fee. Pharmacists will continue to receive the standard dispensing fee with each prescription filled.

54. Medical Assistance Pharmacy Provider Reimbursement

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-8,203,600	0.00	-9,320,600	0.00
PR-F	0	0.00	0	0.00	-11,125,200	0.00	-12,540,400	0.00
TOTAL	0	0.00	0	0.00	-19,328,800	0.00	-21,861,000	0.00

The Governor recommends reducing Medical Assistance provider reimbursement for pharmacies from the current rate of the average wholesale price minus 11.25 percent to minus 15 percent as a cost containment measure. The Governor further recommends that the SeniorCare program reimburse pharmacies at the identical rate paid by Medical Assistance. Current reimbursement for SeniorCare is at the Medical Assistance rate plus five percent. Claims submitted by pharmacies under SeniorCare use the same electronic point-of-service system and are processed by the same fiscal agent as Medical Assistance, eliminating the need for enhanced reimbursement. The cost of prescription drugs in Medical Assistance increased 15 percent in FY02 and are projected to increase by 16 percent in FY03, 14 percent in FY04 and 14 percent in FY05.

55. SeniorCare Cost Sharing

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-7,981,200	0.00	-10,273,100	0.00
PR-F	0	0.00	0	0.00	690,200	0.00	1,378,000	0.00
PR-O	0	0.00	0	0.00	-4,683,300	0.00	-7,318,000	0.00
TOTAL	0	0.00	0	0.00	-11,974,300	0.00	-16,213,100	0.00

The Governor recommends, as a condition of meeting eligibility requirements for SeniorCare, increasing the deductible requirement for individuals with incomes over 200 percent of the federal poverty line. Copayments would increase from \$500 to \$750 for individuals with income greater than 200 percent but less than or equal to 240 percent of poverty, and to \$850 for individuals with income greater than 240 percent of poverty. The Governor further recommends increasing the enrollment fee charged to SeniorCare participants, used by the department for administrative costs, from \$20 to \$25 for individuals with income less than or equal to 200 percent of poverty, and to \$30 for individuals with income greater than 200 percent of poverty.

56. BadgerCare Cost Sharing

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-406,200	0.00	-804,700	0.00
PR-F	0	0.00	0	0.00	-989,100	0.00	-1,959,700	0.00
PR-O	0	0.00	0	0.00	1,395,200	0.00	2,764,400	0.00
TOTAL	0	0.00	0	0.00	-100	0.00	0	0.00

The Governor recommends increasing the premium paid by families receiving BadgerCare with incomes greater than 150 percent of the federal poverty level, from an amount equivalent to three percent of the family's income to five percent of income. This increase will establish a cost sharing requirement at the maximum level allowed by federal law.

57. Medical Assistance for Breast and Cervical Cancer

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	8,200	0.00	17,400	0.00	8,200	0.00	17,400	0.00
PR-F	20,100	0.00	42,500	0.00	20,100	0.00	42,500	0.00
TOTAL	28,300	0.00	59,900	0.00	28,300	0.00	59,900	0.00

The Governor recommends providing additional funding to expand the breast and cervical cancer program to include treatment for women with precancerous conditions and for women with health care coverage through the Indian Health Service. A provision expanded in 2001 Wisconsin Act 16 included Medical Assistance coverage to women diagnosed through the Well Woman program with breast or cervical cancer. Recent changes at the federal level clarify that precancerous conditions are also covered. It also requires that women who have coverage under the Indian Health Service should also be eligible for this benefit. Under current law, both groups are excluded.

58. AFDC – Unemployed Parent Rules in Medicaid

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	-12,800	0.00	-17,200	0.00	-12,800	0.00	-17,200	0.00
PR-F	12,800	0.00	17,200	0.00	12,800	0.00	17,200	0.00
TOTAL	0	0.00	0	0.00	0	0.00	0	0.00

The Governor recommends replacing GPR with FED expenditure authority to reflect the use of a less restrictive rule for determining eligibility for Medical Assistance for underemployed parents, as permitted by federal law. The change in rules will allow the department to replace funding for approximately 500 individuals currently eligible for BadgerCare with Medical Assistance funding, with no cost to the state.

59. Medical Assistance Divestment

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	-168,800	1.00	-162,500	1.00	-220,700	0.00	-221,100	0.00
PR-F	-260,600	1.00	-255,200	1.00	-310,100	0.00	-310,600	0.00
TOTAL	-429,400	2.00	-417,700	2.00	-530,800	0.00	-531,700	0.00

The Governor recommends strengthening state divestment policies by preventing individuals from converting assets to annuities in order to become eligible for Medical Assistance. Transfers of assets from nursing home residents seeking Medical Assistance eligibility to a spouse would be limited to ensure such transfers are only for the benefit of the community spouse. The request for new state staff is denied.

60. Special Enrollment Period for Health Insurance Premium Payment

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	-129,200	0.00	-129,200	0.00	-491,600	0.00	-2,360,900	0.00
PR-F	-275,800	0.00	-275,800	0.00	-1,158,400	0.00	-5,710,500	0.00
TOTAL	-405,000	0.00	-405,000	0.00	-1,650,000	0.00	-8,071,400	0.00

The Governor recommends modifying the statutory definition of "open enrollment," with respect to enrollment in private health insurance, to make eligibility for the Health Insurance Premium Payment program a qualifying event for enrollment in private insurance. The secretary of the department is directed to seek a federal waiver, if needed, to require employed BadgerCare applicants to obtain their employer's verification of earnings and health insurance coverage at the initial determination of eligibility and at the annual BadgerCare eligibility review. These provisions will ensure that individuals eligible for employer-sponsored coverage enroll in private plans and reduce the "crowd out" of private insurance with publicly funded benefits.

61. Medical Assistance Program Integrity Enhancement

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	12,800	0.25	-154,100	0.25	0	0.00	-170,800	0.00
PR-F	38,400	0.75	-194,800	0.75	0	0.00	-239,800	0.00
TOTAL	51,200	1.00	-348,900	1.00	0	0.00	-410,600	0.00

The Governor recommends reallocating an existing position in the department to the Bureau of Health Care Program Integrity to address increased audit work load due to growth in the number of Medical Assistance claims. The reassigned position will investigate fraudulent Medical Assistance claims and initiate recoveries of benefit payments that are determined to be noncompliant with state and federal law or department policy.

62. Spousal Impoverishment Asset Limit

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	-45,900	0.00	-137,600	0.00	-46,200	0.00	-138,600	0.00
PR-F	-65,100	0.00	-195,700	0.00	-64,800	0.00	-194,700	0.00
TOTAL	-111,000	0.00	-333,300	0.00	-111,000	0.00	-333,300	0.00

The Governor recommends adopting a single standard of \$50,000 on the amount of assets an institutional spouse can transfer to a community spouse under Medical Assistance spousal impoverishment provisions. This change will ensure state law, with respect to spousal impoverishment protections in Medical Assistance, is consistent with federal law which requires a single standard. The current standard is the greater of \$50,000 or 50 percent of the couple's assets up to the federal maximum.

63. Prior Authorization for Therapies

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	0	0.00	-291,100	0.00
PR-F	0	0.00	0	0.00	0	0.00	-408,900	0.00
TOTAL	0	0.00	0	0.00	0	0.00	-700,000	0.00

The Governor recommends reengineering the use of prior authorization for therapy services to make it more efficient and effective. Current policy requires prior authorization after an individual has received 35 therapy sessions.

64. In-Home Autism Services

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-8,316,000	0.00	-8,316,000	0.00
PR-F	0	0.00	0	0.00	-11,681,600	0.00	-11,679,200	0.00
TOTAL	0	0.00	0	0.00	-19,997,600	0.00	-19,995,200	0.00

The Governor recommends eliminating intensive in-home autism treatment as a Medical Assistance benefit. Children with autism would continue to be eligible for Medical Assistance therapy services at schools or at a physician's office. This change will make the state's coverage of services for autistic children consistent with federal regulations.

65. Personal Needs Allowance

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-1,712,400	0.00	-1,712,400	0.00
PR-F	0	0.00	0	0.00	-2,405,400	0.00	-2,404,900	0.00
TOTAL	0	0.00	0	0.00	-4,117,800	0.00	-4,117,300	0.00

The Governor recommends reducing the amount of income nursing home residents whose care is paid by Medical Assistance may retain for personal needs from \$45 to \$30 per month. Savings are generated by directing more of the resident's income toward the cost of their nursing home care.

66. Irrevocable Burial Trusts

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	0	0.00	-318,000	0.00
PR-F	0	0.00	0	0.00	0	0.00	-446,600	0.00
TOTAL	0	0.00	0	0.00	0	0.00	-764,600	0.00

The Governor recommends reducing the amount of an irrevocable burial trust that may be excluded from assets when determining Medical Assistance eligibility from \$3,300 to \$1,500, effective January 1, 2004, as a cost containment measure.

67. Health Insurance Risk-Sharing Plan Reestimate

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	64,374,000	0.00	127,336,400	0.00	64,374,000	0.00	127,336,400	0.00
TOTAL	64,374,000	0.00	127,336,400	0.00	64,374,000	0.00	127,336,400	0.00

The Governor recommends reestimating program benefits and administrative costs based on very large increases in enrollment, which have averaged over 21 percent over the last three years. The program provides major medical health care coverage for people who are at high risk who cannot obtain coverage in the private market or for people who have lost employer-sponsored insurance. Cost increases are based on actuarial projections of trends in service costs and enrollment.

68. Health Insurance Risk-Sharing Plan General Purpose Revenue Reduction

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	-2,000,000	0.00	-2,000,000	0.00	-10,241,800	0.00	-10,241,800	0.00
TOTAL	-2,000,000	0.00	-2,000,000	0.00	-10,241,800	0.00	-10,241,800	0.00

The Governor recommends eliminating all GPR for the program including the \$9,500,000 GPR supplement and the \$741,800 GPR supplement for premiums and deductibles and redistributing costs at 58 percent to the policyholder, 21 percent to insurers and 21 percent to providers.

69. Health Insurance Risk-Sharing Plan Procurement

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	46,100	1.00	51,900	1.00	0	0.00	0	0.00
TOTAL	46,100	1.00	51,900	1.00	0	0.00	0	0.00

The Governor recommends that the department implement the competitive bidding process, but does not approve a position for the purpose of overseeing procurement of the contract.

70. Disease Aids Reestimate

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	-255,800	0.00	762,000	0.00	-255,800	0.00	255,800	0.00
PR-O	273,000	0.00	273,000	0.00	273,000	0.00	273,000	0.00
TOTAL	17,200	0.00	1,035,000	0.00	17,200	0.00	528,800	0.00

The Governor recommends reestimating caseloads and costs for the Disease Aids Program which is the payer of last resort for people with chronic renal disease, adult cystic fibrosis and hemophilia. The Governor further recommends implementing additional cost control strategies, in addition to those requested by the department, to better control costs in this program.

71. Income Augmentation

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-4,262,000	0.00	-7,681,100	0.00
PR-F	0	0.00	0	0.00	10,248,900	0.00	18,468,600	0.00
TOTAL	0	0.00	0	0.00	5,986,900	0.00	10,787,500	0.00

The Governor recommends using available revenues under income augmentation to fund Medical Assistance administrative costs which in turn will reduce GPR funding needed for administration. The Governor further recommends that new income augmentation funds that will be generated through a random-moment time study of county intake and assessment functions be included in current budget projections. This provision would dedicate 50 percent of the new revenue to program benefits under Medical Assistance and would allocate the remaining 50 percent to participating counties.

72. Medical Assistance Contracts Reestimate

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	2,589,900	0.00	3,637,600	0.00	2,652,000	0.00	3,660,200	0.00
PR-F	4,714,200	0.00	6,229,400	0.00	4,977,800	0.00	6,363,800	0.00
PR-O	3,565,400	0.00	3,601,000	0.00	2,506,000	0.00	2,806,000	0.00
TOTAL	10,869,500	0.00	13,468,000	0.00	10,135,800	0.00	12,830,000	0.00

The Governor recommends increasing funding for fiscal agent services to account for increased claims processing attributable to growth in Medical Assistance, BadgerCare and Family Care caseloads, and the addition of SeniorCare and the Family Planning Waiver to the Medicaid Management Information System. The Governor recommends increasing funding for added capacity and processing for the Client Assistance for Re-Employment System. This item would consolidate funding for CARES within the Medical Assistance contracts appropriation. The request to convert 2.5 project positions into permanent positions is denied.

73. Food Stamps

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	82,100	0.00	-82,100	0.00	-371,800	0.00	-199,300	0.00
PR-F	3,039,300	0.00	2,542,600	0.00	2,938,600	0.00	739,500	0.00
PR-O	-2,377,100	0.00	-2,478,400	0.00	-2,377,100	0.00	-2,478,400	0.00
TOTAL	744,300	0.00	-17,900	0.00	189,700	0.00	-1,938,200	0.00

The Governor recommends the following funding changes for the Food Stamps program: (a) decrease GPR expenditure authority for the Food Stamps for Qualified Immigrants program by \$625,000 in FY04 and \$561,900 in FY05 to reflect caseload reestimates; (b) increase expenditure authority by \$506,000 GPR/FED in FY04 and \$725,200 GPR/FED in FY05, to reflect reestimates of the cost of the Electronic Benefits Transfer contracts; (c) transfer \$1,000,000 GPR and \$1,000,000 FED in each year between appropriations to consolidate Food Stamp and Medical Assistance administration funding; and (d) increase expenditure authority by \$2,938,600 in FY04 and \$739,500 in FY05, in federal income augmentation funding to pay for Food Stamp reinvestment activities.

74. Transfer of Burial Program

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	4,550,200	0.00	4,550,200	0.00	4,550,200	0.00	4,550,200	0.00
TOTAL	4,550,200	0.00	4,550,200	0.00	4,550,200	0.00	4,550,200	0.00

The Governor recommends increasing expenditure authority to reflect the transfer of the Funerals/Burials Program from the Department of Workforce Development to the department. The Funeral/Burials Program pays funeral and burial costs for indigent persons who are eligible for Supplemental Security Income, Medical Assistance or Wisconsin Works, and whose estate is insufficient to cover the costs. The department currently administers the Funerals/Burials Program; the transfer will result in no net increase in costs to the state. See Department of Workforce Development, Item #18.

75. Position Realignment

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	-3.00	0	-3.00	-900	-3.00	-900	-3.00
PR-F	0	-3.05	0	-3.05	-6,200	-3.05	-6,200	-3.05
PR-O	129,000	1.68	129,000	1.68	113,200	1.68	113,200	1.68
PR-S	247,100	4.37	247,100	4.37	247,100	4.37	247,100	4.37
TOTAL	376,100	0.00	376,100	0.00	353,200	0.00	353,200	0.00

The Governor recommends converting 6.0 FTE GPR/FED positions to 6.0 FTE PR and PR-S positions to staff the Call Center, which responds to questions from county workers regarding programs administered by both the department and the Department of Workforce Development. The recommendation also aligns funding for certain positions in the Call Center with appropriate funding, per time reporting.

76. Centralize Income Maintenance Administration

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-3,411,600	0.00	-6,732,500	0.00
PR-F	0	0.00	0	0.00	-3,411,600	0.00	-6,732,500	0.00
TOTAL	0	0.00	0	0.00	-6,823,200	0.00	-13,465,000	0.00

The Governor recommends reducing funding to counties under the Income Maintenance program to reflect the centralization and automation of some Income Maintenance functions. This change reflects both a reduced cost per income maintenance case and the shift of responsibility for some cases to a statewide processing center. Some of the savings will be used to increase reimbursement to counties for Income Maintenance services by two percent per year. These changes will be effective January 1, 2004.

77. Eliminate WisconCare

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-750,000	0.00	-750,000	0.00
PR-F	0	0.00	0	0.00	-1,053,500	0.00	-1,053,300	0.00
TOTAL	0	0.00	0	0.00	-1,803,500	0.00	-1,803,300	0.00

The Governor recommends eliminating the WisconCare program and reallocating its funding to the Medical Assistance program. WisconCare provides a limited health benefit in a limited number of counties, and partially overlaps with the BadgerCare program. Eliminating WisconCare will allow vital resources to be redirected to the Medical Assistance and BadgerCare programs.

PROGRAMS 6 AND 7 – SUPPORTIVE LIVING

78. SSI and Caretaker Supplement Reestimate

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-S	588,900	0.00	-325,100	0.00	581,100	0.00	-332,800	0.00
TOTAL	588,900	0.00	-325,100	0.00	581,100	0.00	-332,800	0.00

The Governor recommends adjusting the department's base budget for Temporary Assistance for Needy Families (TANF) block grant funds to reflect a reestimate of projected caseloads for the Supplemental Security Income (SSI) and SSI Caretaker Supplement programs. This item is part of the Governor's proposed allocation of federal block grant funds. See details of the entire TANF budget under the Department of Workforce Development, Item #18.

79. Caretaker Supplement Administration

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-S	977,600	0.00	955,600	0.00	506,600	0.00	506,600	0.00
TOTAL	977,600	0.00	955,600	0.00	506,600	0.00	506,600	0.00

The Governor recommends increasing expenditure authority for Temporary Assistance for Needy Families (TANF) funds for administrative costs associated with the Caretaker Supplement program. Due to changes in the method of determining eligibility for this program, a greater portion of the program's administrative costs must be cost-allocated to TANF, per federal regulation.

80. Children's Long-Term Care System Redesign

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	227,500	0.00	608,500	0.00	210,000	0.00	476,800	0.00
PR-F	227,500	0.00	801,100	0.00	210,000	0.00	615,000	0.00
TOTAL	455,000	0.00	1,409,600	0.00	420,000	0.00	1,091,800	0.00

The Governor recommends providing funding to implement a pilot of the children's long-term care redesign. This project is similar to Family Care in that it streamlines the provision of services to children with developmental or long-term care needs. It is a new Medical Assistance waiver program that offers family-centered services and provides a single entry point for eligibility determination. There would be 25 slots allocated to Milwaukee, 7 to each of the other 4 pilot counties and 40 statewide slots for crisis situations. There are about 3,500 children currently on waiting lists for the various community waiver programs.

81. Mental Health System Redesign

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-F	418,400	0.00	280,900	0.00	362,100	0.00	224,600	0.00
PR-O	418,400	0.00	280,900	0.00	362,100	0.00	224,600	0.00
TOTAL	836,800	0.00	561,800	0.00	724,200	0.00	449,200	0.00

The Governor recommends providing funding to continue with phase two of the mental health system redesign. Funds will support the development of a functional screening tool, including automating a Web-based tool and data analysis. The goal is to provide a managed care model for substance abuse and mental health services that is less fragmented than the current system. The Governor does not support the increase proposed in mental health facility license fees to generate revenue to conduct consumer surveys.

82. Hospital Diversion Program

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	-100,300	0.00	100,300	0.00	-100,300	0.00	100,300	0.00
PR-S	-135,200	0.00	10,600	0.00	-135,200	0.00	10,600	0.00
TOTAL	-235,500	0.00	110,900	0.00	-235,500	0.00	110,900	0.00

The Governor recommends reallocating funding to implement two new integrated service programs for children with severe emotional disturbances in Winnebago and Brown counties. These programs provide comprehensive community services to these children to avoid more costly placements in psychiatric hospitals or the mental health institutes. Base funding of \$300,700 GPR in FY04 and \$603,500 GPR in FY05 would be used for the new programs which would serve an additional 90 children.

83. Interpreting Services

The Governor recommends transferring funding associated with interpreter services from a state operations appropriation to an aids appropriation since it serves consumers and is not part of state operations. These funds are used to help deaf and hearing impaired people access services and is used when other funding is not available.

84. Community Integration Program (CIP) 1A Rate

The Governor recommends increasing the daily placement rate from \$225 per day to \$325 per day for moving people from the centers for the developmentally disabled; the placement rate and the reduction rate would be the same. The CIP 1A program is a Medical Assistance waiver program under which residents of the centers are placed in the community and the funding that was used to support their institutional care is then used for their community placement. The center then reduces its budget by the same daily rate so that there is no additional cost.

85. Facility Enforcement Activities

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	83,600	2.00	90,400	2.00	41,800	1.00	45,200	1.00
TOTAL	83,600	2.00	90,400	2.00	41,800	1.00	45,200	1.00

The Governor recommends providing funding and 1.0 FTE position to address the backlog related to assessing forfeitures on nursing homes for violations of license and certification standards. Currently, there are 375 outstanding violations that need to be analyzed and a forfeiture determined by the two regulatory specialists. The additional staff would be funded by a six percent surcharge on nursing home forfeitures. The Governor further recommends raising the maximum community-based residential facility fine from the current \$1,000 per day to \$10,000 per day. More and more large corporations are running these facilities and the current level is not a significant deterrent to resolve violations.

ITEMS NOT APPROVED

The following requests are not included in the Governor's budget recommendations for the Department of Health and Family Services.

Decision Item	Source of Funds	FY04		FY05	
		Dollars	Positions	Dollars	Positions
86. Dental Clinics in Federally Qualified Health Centers	GPR	1,024,000	0.00	2,368,300	0.00
	PR-F	0	0.00	489,800	0.00
87. Oral Health for Low-Income Populations	GPR	391,900	0.00	448,700	0.00
	PR-F	539,000	0.00	621,300	0.00
88. Dental Services for Individuals With Severe Disabilities	GPR	365,200	0.00	341,200	0.00
	PR-F	442,800	0.00	481,200	0.00
	PR-O	43,800	1.00	47,700	1.00
	PR-S	136,100	2.50	150,000	2.50
89. Nursing Home Downsizing	GPR	1,192,500	1.00	2,113,300	1.00
	PR-F	1,559,700	1.00	2,853,800	1.00
90. Overtime Pay Plan Increases	GPR	108,500	0.00	151,600	0.00
	PR-O	162,900	0.00	227,900	0.00
	PR-S	5,700	0.00	8,000	0.00
91. Services for Other Agencies	PR-S	65,500	3.50	112,500	3.50
92. Repair and Maintenance	GPR	24,200	0.00	49,700	0.00
	PR-O	42,000	0.00	86,500	0.00
93. Medical Home	GPR	5,100	0.00	190,700	0.00
	PR-F	5,100	0.00	271,300	0.00
94. Prenatal Care Coordination	GPR	0	0.00	308,600	0.00
	PR-F	0	0.00	439,000	0.00
95. Medical Assistance for Youths Leaving Out-of-Home Care	GPR	339,100	0.00	491,300	0.00
	PR-F	407,700	0.00	698,900	0.00
96. Medical Assistance Income Limit for the Elderly and Disabled	GPR	399,400	0.00	801,700	0.00
	PR-F	566,400	0.00	1,140,500	0.00
97. Expand Estate Recovery	GPR	-48,200	0.00	-359,200	0.50
	PR-F	-68,400	0.00	-521,400	0.50
	PR-O	116,600	0.00	929,800	0.00
98. Food Stamps Appropriation Management	PR-F	217,987,600	0.00	230,967,600	0.00
99. Brain Injury Waiver Slots	GPR	162,100	0.00	611,600	0.00
	PR-F	230,000	0.00	869,500	0.00
100. Facility Downsizing Work Load	GPR	69,300	0.75	80,500	0.75
	PR-F	98,900	0.25	115,000	0.25
101. Caregiver Background Checks	PR-F	5,800	0.00	7,700	0.00
	PR-O	17,400	0.00	23,200	0.00
102. Value-Added Technical Assistance Project	PR-O	48,700	1.00	12,100	1.00
103. Mental Health Program Certification Staff	PR-O	83,700	2.00	90,300	2.00
104. Preventing Tobacco Sales to Minors	PR-O	166,500	0.00	671,000	0.00
TOTAL OF ITEMS NOT APPROVED	GPR	4,033,100	1.75	7,598,000	2.25
	PR-F	221,774,600	1.25	238,434,200	1.75
	PR-O	681,600	4.00	2,088,500	4.00
	PR-S	207,300	6.00	270,500	6.00